

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL EXPRESS & PRIORITY MAIL
CONTRACT 55 (MC2018-81)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2018-123

**USPS NOTICE OF AMENDMENT TO
PRIORITY MAIL EXPRESS & PRIORITY MAIL CONTRACT 55,
FILED UNDER SEAL
(December 23, 2019)**

The Postal Service hereby provides notice that the terms of Priority Mail Express & Priority Mail Contract 55, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail Express & Priority Mail Contract 55 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective two business days following the day that the Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Sean C. Robinson

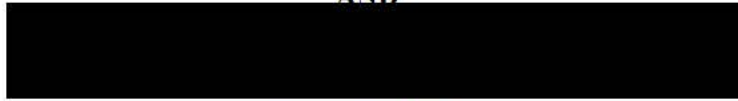
475 L'Enfant Plaza, SW
Washington, D.C. 20260-1137
(202) 268-8405
Sean.C.Robinson@usps.gov
December 23, 2019

ATTACHMENT A

REDACTED AMENDMENT TO PRIORITY MAIL EXPRESS & PRIORITY MAIL

CONTRACT 55

AMENDMENT #1
OF
SHIPPING SERVICES CONTRACT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND



REGARDING
PRIORITY MAIL EXPRESS
AND
PRIORITY MAIL SERVICE

WHEREAS, the United States Postal Service (the “Postal Service”) and [REDACTED] (“Customer”) entered into a Shipping Services Contract, Priority Mail Express and Priority Mail Contract 55/Docket No. CP2018-123 regarding Priority Mail Express and Priority Mail on December 4, 2017.

WHEREAS, the Parties desire to amend the terms in Sections I.A, I.B, I.G, I.H and III of the Contract.

NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective two (2) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Sections I.A, I.B, I.G, I.H, III, in their entirety, and add Table 1a and add new Tables 1 and 2 and Section I.J. as follows.]

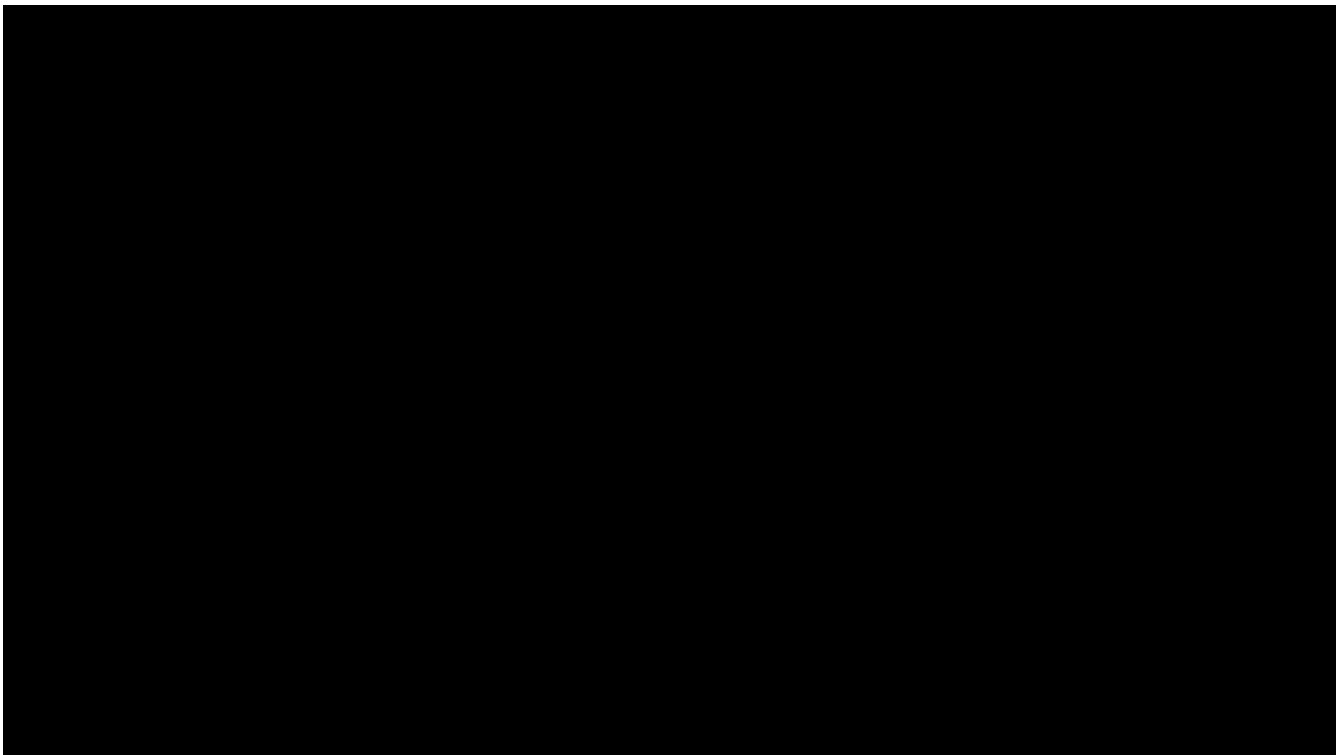
I. Terms

- A. Except to the extent different terms or prices are specified in this Contract, applicable provisions of the Domestic Mail Manual (as may be regularly updated by the Postal Service and posted at http://pe.usps.com/text/dmm300/dmm300_landing.htm) and of other postal laws and standards, including USPS Publication 52 – Hazardous, Restricted, and Perishable Mail, apply to mail tendered under this Contract.
- B. This Contract applies to the Customer’s inbound and outbound packages, excluding packages originating from and/or addressed to ZIP Codes contained in Table 1a (collectively “Contract Packages”).
 - 1. Priority Mail Express [REDACTED]; and
 - 2. Priority Mail Flat Rate [REDACTED].



Customer shall not extend pricing to a third party under this Contract, including commercial published pricing for the products defined in Section I.B, or any prices below commercial published pricing.

- G. The following prices apply to Customer's Priority Mail Express Contract Packages (Table 1), and Priority Mail Contract Packages (Table 2), effective January 26, 2020, until the Postal Service's change in rates of general applicability for competitive products in Contract Year 2021.



H. Annual Adjustment

1. For subsequent years of the Contract, customized prices will change each year on the effective date of the Postal Service's change in rates of general applicability for competitive products. The contract prices will be the previous year's prices plus the most recent (current year) percentage change of general applicability for either Priority Mail Express Commercial Plus (for Table 1) or Priority Mail Commercial Plus (for Table 2), as calculated by the Postal Service.

2. Customized prices for the subsequent years will be calculated by the Postal Service and rounded up to the nearest whole cent. If the Postal Service maintains or decreases published rates of applicability for either Priority Mail Express Commercial Plus or Priority Mail Commercial Plus, there shall be no change to Contract pricing for that Contract Year for the appropriate product.
- J. Record Keeping and Audit. Customer shall respond to the Postal Service's or its designated auditor's quarterly and/or yearly transaction confirmations related to Postal Service transactions; and such other assistance as required by the Postal Service or its designated auditors in connection with Customer's performance under this Contract.

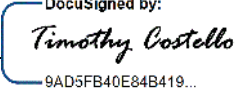
III. Expiration Date and Termination

This Contract shall expire on January 26, 2021, unless (1) terminated by either Party with thirty (30) calendar days' notice to the other Party in writing; (2) renewed by mutual agreement in writing; (3) superseded by a subsequent contract between the Parties; (4) ordered by the Commission or a court; or (5) required to comply with subsequently enacted legislation.

If, at the conclusion of this Contract term, both Parties agree that preparation of a successor SSC is active, the SSC will be extended for up to two (2) ninety (90) calendar day periods with official notification to the Commission at least seven (7) calendar days prior to the Contract's expiration date. Upon both Parties agreement of the extension, the escalation clause will be implemented in Section I.H above, throughout the extension period.

IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed as of the later date below:

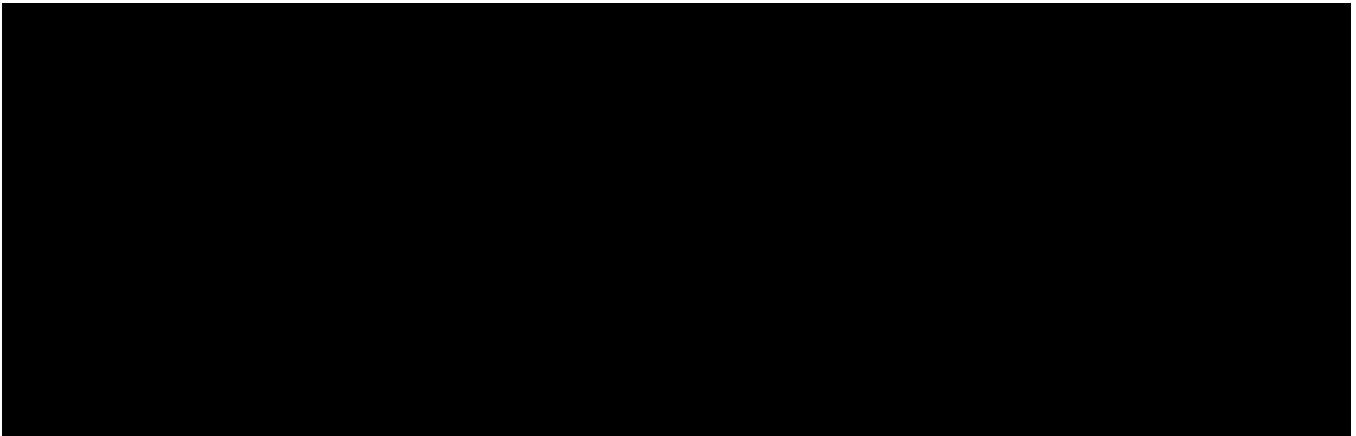
UNITED STATES POSTAL SERVICE

Signed by:  _____
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Printed Name: Timothy Costello

Title: Vice President Sales

Date: 12/20/2019



ATTACHMENT B
SIGNED CERTIFICATION

**Certification of Prices for Amendment to
Priority Mail Express & Priority Mail Contract 55**

I, Steven R. Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, am familiar with the prices and terms for the amendment to Priority Mail Express & Priority Mail Contract 55. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 19-1).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

**Steven
Phelps**

Digitally signed by Steven Phelps
DN: cn=Steven Phelps, o=Pricing
and Costing, ou=Pricing,
email=steven.r.phelps@usps.gov,
c=US
Date: 2019.12.23 13:55:18 -05'00'

Steven R. Phelps